1	HOUSE BILL NO. 722
2	INTRODUCED BY M. LANGE
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE PUBLIC SERVICE COMMISSION TO
5	REGULATE RATES OF A LOCAL GOVERNMENTAL ENTITY THAT ACQUIRES ENERGY TRANSMISSION,
6	DISTRIBUTION, AND GENERATION FACILITIES; AMENDING SECTION 69-7-101, MCA; AND PROVIDING
7	AN IMMEDIATE EFFECTIVE DATE."
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9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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11	NEW SECTION. **Section 1. Regulation of rates of local government entities that acquire energy**
12	**transmission, distribution, and generation facilities.** (1) If a local governmental entity or a nonprofit
13	organization that is formed by a local governmental entity acquires energy transmission, distribution, or
14	generation facilities, the public service commission shall establish rates that:
15	(a) are just and reasonable for those facilities;
16	(b) may not be higher than current default supply rates established by the public service commission
17	under Title 69, chapter 8; and
18	(c) may not be augmented by taxes or fees.
19	(2) For purposes of this section, "local governmental entity" means a consolidated local government,
20	a county, or an incorporated city or town.
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22	**Section 2.** Section 69-7-101, MCA, is amended to read:
23	**"69-7-101. Municipal utilities -- regulation by municipality.** A Except as provided in [section 1], a
24	municipality has the power and authority to regulate, establish, and change, as it considers proper, rates,
25	charges, and classifications imposed for utility services to its inhabitants and other persons served by municipal
26	utility systems. Rates, charges, and classifications must be reasonable and just."
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28	NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
29	integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [section 1].
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Legislative Services Division

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1   <u>NEW SECTION.</u> **Section 4. Effective date.** [This act] is effective on passage and approval.

2   - END -